



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0073
916-327-4975 • FAX 916-324-2586
www.boe.ca.gov

BETTY T. YEE
First District, San Francisco

SEN. GEORGE RUNNER (RET.)
Second District, Lancaster

MICHELLE STEEL
Third District, Orange County

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

CYNTHIA BRIDGES
Executive Director

March 28, 2014

The Honorable Raul Bocanegra, Chair
Assembly Revenue and Taxation Committee
1020 N Street, Room 167A
Sacramento, CA 95814

Dear Assembly Member Bocanegra:

Assembly Bill 2009 (Weber) is set for hearing in the Assembly Revenue and Taxation Committee on April 7, 2014. **Sponsored by the Board of Equalization (BOE)**, this bill extends the Managed Audit Program authority that exists under the Sales and Use Tax program to various BOE special tax and fee programs including, alcohol, cigarette and tobacco products, motor vehicle and diesel fuel, tire fee, and other special taxes and fees.

Managed audits are self-audits conducted under close supervision by the BOE. The BOE determines which taxpayers are eligible to participate in a managed audit and enters into MAP Participation Agreements with taxpayers who volunteer to participate.

Participating taxpayers would receive a 50% interest reduction on any unpaid liability discovered during the audit. In turn, BOE saves the staff resources that would otherwise have been spent performing the verification activities not performed by the taxpayer. The BOE audit hours saved would be redirected to more complex, revenue-generating audits. Other benefits include: the ability to provide early resolution of taxability issues, fewer protested audits, improved cooperation between the BOE and taxpayers, improved taxpayer education and compliance, and decreased disruption of a taxpayer's regular business activities.

If you have any questions or need additional information regarding this bill, please contact our Legislative Counsel, Michele Pielsticker, at (916) 322-2376.

Sincerely,

Cynthia Bridges
Executive Director

CB:ah

cc: The Honorable Brian Dahle, Vice Chair
The Honorable Richard S. Gordon
The Honorable Diane L. Harkey
The Honorable Kevin Mullin
The Honorable Brian Nestande
The Honorable Richard Pan
The Honorable V. Manuel Perez
The Honorable Philip Y. Ting
Ms. Oksana Jaffe, Chief Consultant, Assembly Revenue & Taxation Committee
Mr. David Ruff, Principal Consultant, Assembly Revenue & Taxation Committee
Ms. Julia King, Assembly Republican Caucus